

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 NSC-05 NSCE-00 FTC-01 AID-05 CEA-01
CIAE-00 COME-00 EB-07 EA-09 FRB-01 INR-07 IO-13
NEA-10 NSAE-00 USIA-15 OPIC-06 SP-02 TRSE-00 CIEP-02
LAB-04 SIL-01 AGRE-00 OMB-01 PA-02 PRS-01 L-03 SS-15
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FM USMISSION OECD PARIS

TO SECSTATE WASH DC 4627

UNCLAS SECTION 01 OF 02 OECD PARIS 36380

PASS WHITE HOUSE FOR KNAUER AND CAVAGNARO

E.O. 11652: N/A

TAGS: EIND, OECD

SUBJECT: 14TH MEETING OF COMMITTEE ON CONSUMER POLICY,
NOV. 30-DEC. 1

REF: OECD PARIS 30091

1. SUMMARY.

COMMITTEE ON CONSUMER POLICY (CCP) MET NOV. 30-DEC.1
AND AGREED TO RECOMMEND TO THE COUNCIL PUBLICATION OF
CONSUMER CREDIT REPORT WHICH WILL INCORPORATE SEVERAL
EDITORIAL AND SUBSTANTIVE CHANGES. COMMITTEE ALSO GAVE
PROVISIONAL APPROVAL TO FUTURE WORK PROGRAM, AS MODIFIED
BY CCP, AND WILL RENDER FINAL DECISION AT JUNE MEETING.
MRS. VIRGINIA KNAUER, LED US DELEGATION ACCOMPANIED BY
MRS. JOAN BRADEN, MICHAEL STERLACCI, GEORGE NICHOLS,
MS. MARJORIE SMITH, JOHN FISHBACH AND CHARLES CAVAGNARO.
MRS. KNAUER RECEIVED WARM EXPRESSION OF GRATITUDE AFTER
SHE ANNOUNCED HER RETIREMENT FROM GOVERNMENT SERVICE.
NEXT COMMITTEE MEETING JUNE 14-15, 1977. END SUMMARY.

2. CONSUMER CREDIT REPORT - CCP(76)4 (1ST REVISION).

AS A MEETING IN OCTOBER OF WP4 (CREDIT), CALLED AT US
SUGGESTION, WAS UNABLE TO RESOLVE IMPORTANT DIFFERENCES
IN CONSUMER CREDIT PAPER (SEE REFETEL), CCP HAD TO RE-
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SOLVE OUTSTANDING ISSUES. MAJOR PROBLEM CENTERED

AROUND AMERICAN LAW AND PRACTICE IN THIS AREA BEING STRONGER THAN THE MAJORITY OF MEMBER COUNTRIES. US CONSIDERS THAT PROPOSALS BY SEVERAL EUROPEAN DELS TO PROHIBIT CERTAIN PRACTICES AND INSTRUMENTS WOULD BE UNCONSTITUTIONAL UNDER US LAW (E.G., DOOR-TO-DOOR CAVASSING FOR LOANS UNRELATED TO SPECIFIC SALES AND THE USE OF PROMISSORY NOTES IN CREDIT TRANSACTIONS). AS WORK ON CONSUMER CREDIT PAPER HAS BEEN UNDERWAY SOME 18 MONTHS, AND CCP CONSIDERS THIS AN IMPORTANT REPORT, COMPROMISES WERE REACHED ON ALL DIFFERENCES AND CCP AGREED THAT FINAL REPORT, WHICH WILL REFLECT COMPROMISES AGREED TO, SHOULD GO TO COUNCIL WITH RECOMMENDATION FOR PUBLICATION. CCP ALSO AGREED THAT, GIVEN US ADVANCED LEGISLATION IN THIS FIELD, FINAL REPORT CONTAIN ANNEX DETAILING US REQUIREMENTS UNDER LAW WHICH EXTEND BEYOND REPORT RECOMMENDATIONS. ANOTHER INTERESTING COMPROMISE IN LANGUAGE IS THAT THE RECOMMENDATION WILL READ COUNTRIES SHOULD CONSIDER", RATHER THAN "COUNTRIES SHOULD" IN THE CASE OF ENUMERATED RECOMMENDATIONS. HOWEVER, DESPITE LATITUDE PROVIDED MEMBER GOVERNMENTS BY THIS CHANGE, DENMARK AND JAPAN SAID THEY MAY HAVE TO RESERVE ON SPECIFIC PROPOSALS WHEN DOCUMENT GOES TO COUNCIL.

3. LIVELY DEBATE ALSO FOLLOWED US DEL PROPOSAL THAT SUITABLE LANGUAGE BE INSERTED AS A FOOTNOTE IN REPORT TO SUGGEST THE COST IMPLICATIONS OF THE RECOMMENDATIONS IN TERMS OF AVAILABILITY AND POTENTIALLY HIGHER COST OF CREDIT TO CONSUMERS. BELGIUM TOOK VOCIFEROUS LEAD IN OPPOSITION, OBSERVING THAT ANY PROPOSAL TO PROTECT CONSUMERS HAS COST IMPLICATIONS. HIS MAIN POINT WAS THAT ANY REFERENCE TO COST WOULD BE COUNTER-PRODUCTIVE TO EFFORTS TO GET THESE PROPOSALS APPROVED BY GOVERNMENTS. ISSUE FINALLY RESOLVED BY AGREEMENT THAT US ANNEX WOULD INCLUDE BRIEF COMMENT ON US EXPERIENCE IN CONSUMER CREDIT COST/BENEFIT ANALYSIS.

4. FUTURE WORK PROGRAM (1978 AND BEYOND) DAF/CCP/76.64. BASIC PAPER, AS PROPOSED, WAS ACCEPTED. OF SPECIAL INTEREST, NORWEGIAN DEL MADE ORAL PROPOSAL THAT CCP UNCLASSIFIED

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INITIATE PROGRAM EXPLORING POSSIBILITY OF CONSUMER INFLUENCE ON CONSUMER PRODUCT DESIGN. KEY ELEMENTS OF PROPOSAL WOULD BE FOR COMMITTEE TO EXPLORE MORE EFFICIENT WAYS TO BRING CONSUMER INFLUENCE TO BEAR ON PRODUCT DESIGN INCLUDING DURABILITY, SERVICEABILITY, RESOURCE-EFFICIENCY AND SAFETY. IN SPIRITED DEBATE, SWEDEN, FRANCE, BELGIUM SUPPORTED NORWEGIANS WHILE JAPAN AND NETHERLANDS OPPOSED. SEVERAL DELS FELT THAT PRODUCT

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DESIGN WAS FUNCTION OF FREE MARKET. NETHERLANDS DEL SAID THAT PROPOSAL WAS "UNREALISTIC SINCE IT IMPLIED FUNDAMENTAL CHANGES IN OUR ECONOMIC SYSTEMS". ISSUE RESOLVED BY CCP'S ACCEPTANCE OF CHAIR'S PROPOSAL THAT THREE COUNTRIES (US, FRANCE AND NORWAY) DRAFT PAPER BASED ON NATIONAL EXPERIENCES AND SUGGEST POSSIBLE APPROACHES FOR CCP. IT WAS AGREED WORK PROGRAM, ESPECIALLY IN AREA OF ADVERTISING AND "REPRESENTATIVENESS" OF CONSUMER ORGANIZATIONS, WOULD BE REVISED IN LIGHT OF DISCUSSIONS AND FINAL DECISION ON FUTURE WORK BE MADE AT JUNE MEETING. WHAT IS EVIDENT, GIVEN INTEREST AT THIS MEETING AND ITS ACCOMMODATION IN ADJUSTING DATES TO EEC'S CONSUMER LEADER MEETING DEC. 2-3 IN BRUSSELS, IS THAT THERE IS INCREASING INTEREST AND CONCERN FOR GOVERNMENT ROLE IN CONSUMER AFFAIRS AND THERE WILL BE CONTINUING OPPORTUNITY FOR US TO PROVIDE LEADERSHIP IN THIS FIELD AND A REQUIREMENT FOR US TO FOLLOW INTERNATIONAL DEVELOPMENTS CLOSELY.

5. BRIEF ORAL REPORTS WERE MADE ON UNDESIRABLE MARKETING PRACTICES (WP5) AND CONSUMER PRODUCT SAFETY. IT WAS NOTED THAT WP5 IS DEALING WITH THREE SUBJECTS: GLOSSARY OF TERMS RE MARKETING PRACTICES, PREMIUM

OFFERS AND MAIL ORDER SALES.

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6. MRS. KNAUER REPORTED ON CONSUMER REPRESENTATION IN UNITED STATES GOVERNMENT AGENCIES. IN CLOSING SHE SAID THIS WOULD BE HER LAST MEETING OF CCP AS SHE WOULD LEAVE OFFICE WITH THE PRESENT ADMINISTRATION. THE COMMITTEE EXPRESSED PROFOUND GRATITUDE FOR THE US AND MRS. KNAUER'S CONTRIBUTION TO ITS WORK.

7. NEXT MEETING.
CCP MEETS JUNE 14-15, 1977.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, COMMITTEE MEETINGS, CONSUMER GROUPS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976OECDP36380
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760454-0091
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761262/aaaacbmj.tel
Line Count: 187
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 OECD PARIS 30091
Review Action: RELEASED, APPROVED
Review Authority: wolfsd
Review Comment: n/a
Review Content Flags:
Review Date: 02 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 JUN 2004 by hattaycs>; APPROVED <04 AUG 2004 by wolfsd>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: 14TH MEETING OF COMMITTEE ON CONSUMER POLICY, NOV. 30-DEC. 1
TAGS: EIND, OECD
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006